GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:154
ANSWERED ON:27.02.2003
HIKE IN NATURAL GAS PRICES
AVSM, BRIG.(RETD.) KAMAKHYA PRASAD SINGH DEO;DILEEP SANGHANI

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government, as per gas tariff policy, have decided to hike the LNG prices;

(b) if so, whether the hike in prices of LNG is aligned with the transportation tariff;

(c) if not, the reasons therefor;

(d) whether the Government is facing opposition from fertilizers and power plants sectors besides the gas industry like GAIL; and

(e) if so, the steps Government propose to take to face the situation and to withdraw the hike in prices of LNG?

Answer

MINISTER OF PETROLEUM & NATURAL GAS (SHRI RAM NAIK)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO. 154 BY S K.P. SINGH DEO AND DILEEP SANGHANI TO BE ANSWERED ON 27th FEBRUARY, 2003 REGARDING HIKE IN NATURAL GAS PRICES.

(a) to (e): The import of Liquified Natural Gas (LNG) has been placed under Open General Licence (OGL) with permission for 100% Foreign Direct Investment (FDI).The prices of LNG will be market determined and would be fixed by the company concerned and not the Government. Prices of LNG have not been finalized and announced by the companies so far.Therefore, question of any hike in LNG prices or opposition to it from fertilizer sector, power plants or GAIL does not arise.